

Howard R. Foley
FOLEY & FREEMAN, CHARTERED
77 East Idaho Street
P.O. Box 10
Meridian, Idaho 83680
Phone: (208) 888-9111
FAX: (208) 888-5130

U.S. COURTS
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REG. CLERK
CAMPBELL E. CLARK
IDAHO

Attorney for Debtor

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF IDAHO

In re:)	
)	Case No. 96-02095
HIPWELL, TERRY,)	
)	SECOND AMENDED
Debtor.)	CHAPTER 12 PLAN

Terry Hipwell, above captioned debtor proposes the following plan of reorganization pursuant to Chapter 12 of the Bankruptcy Code:

ARTICLE I
Definitions

For the purposes of this plan, the following definitions with meaning are to be deemed equally applicable to both the singular and plural forms of the terms and shall apply to this plan:

"Allowed claim": is a claim when and only when a proof of claim has been filed with the Bankruptcy Court within the applicable period of limitation and no objection to the allowance has been filed within the applicable period of limitation, or if an objection has been filed the claim in whole or in part has been allowed by Order of the court and such order is no longer subject to appeal.

CHAPTER 12 PLAN - 1

"Allowed priority claim" shall mean a claim entitled to priority under 11 U.S.C. §507.

"Allowed secured claim" shall mean a claim which is secured by a lien on property of the debtor to the extent of the value of the interest of the holder of such allowed claim in such property of the debtor as determined by the court pursuant to 11 USC §506(a).

"Bankruptcy Court" shall mean the United States Bankruptcy Court for the District of Idaho having jurisdiction over this case.

"Chapter 12" means Chapter 12 of the Bankruptcy Code.

"Claim" shall mean any right to receive payment from the debtor if it was in existence as of the petition date.

"Claimant" shall mean the holder of an allowed claim.

"Code" shall mean the United States Bankruptcy Code, 11 U.S.C. §101 et seq., and any amendments thereof.

"Date of confirmation" shall mean the date of the entry of an order of the Bankruptcy Court confirming debtor's plan in accordance with the provisions of Chapter 12 of the Code.

"Debtor" is Terry Hipwell.

"Petition date" shall begin August 23, 1996.

"Plan" shall mean this Chapter 12 Plan and any duly authorized amendments or modifications.

"Unsecured claim" shall mean an allowed claim of a creditor which is not secured by a lien on property in which the estate has an interest. To the extent that the allowed claim of a creditor secured by lien on property in which the estate has an interest exceeds

the value of the creditor's interest and the estate's interest in such property (or the amount subject to setoff), the allowed claim is an unsecured claim.

ARTICLE II
Classifications of Claims

- A. **Administrative Claims and Expenses**
- B. **Section 507 Priority Claims**
 - 1. Idaho State Tax Commission
 - 2. Internal Revenue Service
 - 3. Alejandro Valladares-Ponce
 - 4. Armondo Rivera-Vega
 - 5. Felipe Villablabos Zavala
 - 6. Fivel Perez
- C. **Class I: Liens on Real Property**
 - 1. Payette County Tax Collector
 - 2. Canyon County Tax Collector
 - 3. Landview Fertilizer, Inc.
 - 4. Travelers Insurance Company
 - 5. Idaho State Tax Commission
- D. **Class II: Liens on Crops**
 - 1. Reed Grain and Bean
 - 2. Landview Fertilizer, Inc.
 - 3. The Amalgamated Sugar Company

E. Class III: Liens on Equipment

1. Case Credit Corporation
2. John Deere Credit Corporation
3. Landview Fertilizer, Inc.
4. The Amalgamated Sugar Company
5. West One Bank, N.A.
6. Key Bank, N.A.
7. Travelers Insurance Company

F. Class IV: Liens on other Personal Property

1. Payette County Tax Collector
2. Key Bank of Idaho

G. Class V: Unsecured Creditors

ARTICLE III

Treatment of Claims and Interests

A. Administrative Claims and Expenses

The costs and expenses of administration in this case which are allowed pursuant to §503(b) of the Code, are to be borne by the debtor and paid in cash within one (1) year after the date of confirmation of the debtor's plan except Debtor's attorneys fees. As to the allowance to counsel for the debtor for services rendered, the debtor and its counsel have agreed to leave the same to the sole discretion of the court upon application by counsel to the court for fees to which he deems himself entitled based upon his time and hourly charges.

To date the law firm of Foley & Freeman, Chartered has been paid the sum of \$700.00. To date Foley & Freeman, Chartered is owed \$18,000.00 and it is anticipated additional costs of \$1,000.00 will be incurred. It is further anticipated that additional costs to pursue actions against creditors and other parties in the future will necessitate the expenditure of additional fees.

B. Section 507 Priority Claims

The administrative expenses of the debtor's Chapter 12 case allowed priority pursuant to §507(a)(7) of the Code, shall be paid in full as follows:

Section 507 priority payments shall be paid to the Chapter 12 trustee who shall disburse such payments to the holders of these claims in accordance with the terms of this plan.

1. Idaho State Tax Commission

The Idaho State Tax Commission is owed \$927.92 for 1995 withholding and fuel taxes and 1991 individual income taxes. This creditor will be paid without interest in equal installments over 5 years commencing January 10, 1998.

2. Internal Revenue Service

The Internal Revenue Service is owed as a priority creditor \$12,082.04 for 1995 Agri-FICA taxes. This sum shall be paid without interest in five equal annual installments of \$2,416.48 commencing January 10, 1998 and on the same date each year thereafter.

3. Alejandro Valladares-Ponce

Mr. Valladares-Ponce is owed wages incurred with the priority period of 11 U.S.C. §507 and is owed approximately \$1,712.75. He will be paid in five equal installments commencing January 10, 1998.

4. Armondo Rivera-Vega

Mr. Rivera-Vega is owed wages incurred with the priority period of 11 U.S.C. §507 and is owed approximately \$2,176.00. He will be paid in five equal installments commencing January 10, 1998.

5. Felipe Villalabos Zavala

Mr. Zavala is owed wages incurred with the priority period of 11 U.S.C. §507 and is owed approximately \$1,400.00. He will be paid in five equal installments commencing January 10, 1998.

6. Fivel Perez

Mr. Perez is owed wages incurred with the priority period of 11 U.S.C. §507 and is owed approximately \$1,945.00. He will be paid in five equal installments commencing January 10, 1998.

C. Class I: Liens on Real Property

1. Payette County Tax Collector

The allowed secured claim of Payette County Tax Collector for \$6,680.96 will be paid at 12% interest in five annual installments of \$1,850.00 commencing on January 10, 1998 and continuing on the same date each year for five years with the last payment of all sums, plus interest payable January 10, 2002.

2. Canyon County Tax Collector

The allowed secured claim of Canyon County Tax Collector for \$12,468.50 will be paid at 12% interest in five annual installments of \$3,450.00 commencing on January 10, 1998 and continuing on the same date each year for five years with the last payment of all sums, plus interest payable January 10, 2002.

3. Landview Fertilizer Inc.

Landview Fertilizer Inc. holds a mortgage behind the secured claim of Travelers against the 120 acres in Canyon County. Landview's lien secures a promissory note dated May 6, 1996 in the sum of \$130,000 @ 14.5% interest of which a \$60,759.63 installment was due on December 1, 1996. The note carries interest at the rate of 14.5% per annum. Landview has filed a claim of \$176,759.80 but maintains there is no equity in the realty for the security interest to attach to and Landview has no real property security. Landview shall be entitled to retain its mortgage filing against the Payette property as additional security for Debtor's use of cash collateral.

4. Travelers Insurance Company

The Travelers Insurance Company holds a first mortgage against the 480 acres in Payette County and 120 acres in Canyon County. Traveler's lien secures a promissory note in the stipulated claim as of April 15, 1997 in the sum of \$517,783 plus continuing interest at the rate of 9.625% per annum. A \$23,876.00 installment was due October 1, 1995, a like installment due April 1, 1996 and another due October 1, 1996, none of which were paid. Travelers total claim shall be amortized over 20 years at 9.625% with semi-annual installments of \$29,405.00 on January 10, 1998 and August 1, 1998 and like installments January 10th 1st and August 1st of each year of the plan. Upon

completion of the 5 year duration of the plan the then existing loan balance will continue to be paid on the same dates and in the same amounts for an additional 5 years, when the entire remaining balance shall then become due.

5. Idaho State Tax Commission

The allowed secured claim of the Idaho State Tax Commission for \$984.79 will be paid with interest at 12% per annum in five annual installments commencing January 10, 1998 in the sum of \$270.00 and continuing on the same date and in the amount each year until January 10, 2002 when it shall be paid in full.

D. Class II: Liens on Crops

1. Reed Grain & Bean, Inc.

Reed Grain and Bean, Inc. holds a perfected secured seed lien in the sum of \$11,556.02 on debtors 1996 wheat crop. Reed Grain has been paid from cash collateral by the trustee in full on November 19, 1996.

2. Landview Fertilizer, Inc.

Landview Fertilizer holds a secured claim in Debtor's 1995 beet crops which is subordinated to TASCO and against the proceeds of which TASCO has successfully offset \$34,081.42. Landview holds a cash collateral security interest in wheat and beet crop proceeds of \$104,536.30. Debtor shall pay this claim with interest @ 10% per annum commencing upon the date of confirmation of the plan by paying all net proceeds of Debtor's bean crop, after the \$4,000 seed lien has been paid to Agri-Pro Seeds, Inc. and if the bean proceeds are insufficient to pay the entire sum due, then the balance shall be paid on or before January 10, 1998 from the proceeds of the clover crop.

Landview shall be granted a lien on 1997 crops equal to \$104,536.30 plus accruing interest as additional security for Debtor's use of its cash collateral.

3. The Amalgamated Sugar Company (TASCO)

As set forth in paragraph 2. Immediately above, TASCO has setoff against all of Debtor's 1995 sugarbeet crop and proceeds except \$11,155.74 held by the trustee. TASCO has a lien on farm equipment and vehicles. Once TASCO's claim is reduced by its setoff of Debtor's 1995 beets in October of 1995 placing all accruing interest on those sums (\$8,788.01 + \$25,293 since October, 1995). TASCO's claim will be approximately \$75,000 and will be further reduced as set forth in Paragraph E 4. TASCO is to file an amended claim reflecting the retention of setoff sums and reduction of interest charged on those sums as well as surrender of trucks and equipment as set forth in Paragraph E 4. Debtor will make payment on that balance as set forth in Paragraph E 4. TASCO's claim is subject to setoff by virtue of litigation in state court where Debtor seeks damages for breach of contract, breach of covenant and good faith and fair dealing, promissory estoppel and breach of fiduciary duty. TASCO defends denying it encouraged or contracted with the Debtor to his detriment following the 1995 crop year. The case is filed and discovery is proceeding. Debtor anticipates a favorable judgment exceeding \$200,000 within two years.

E. Class III: Liens on Equipment

1. Case Credit Corporation

Case Credit holds a perfected security interest in an IH 7140 Magnum Tractor in the sum of \$34,200. Case Credit will be paid the full value of its secured claim

plus interest at the rate of 10% per annum commencing upon the date of confirmation at the rate of \$7,000 annually commencing January 10, 1998 with the final payment paying the claim in full on January 10, 2002.

2. John Deere Credit Corporation

John Deere holds a perfected, first position security interest in items of farm equipment. The following equipment pursuant to court order, following notice and hearing, was surrendered:

John Deere 4850 tractor

12-row power harrow

Parma triple drum beater

Parma M910 6 row harvester

Brittonia 36 row sprayer

In May, 1996, the debtor surrendered a JC 230 tandem disc and 6 row loader and creditor's claim is exclusive of those items. After liquidation of those items the creditors claim will equal \$47,000 plus interest at 10% per annum commencing upon the date of confirmation. The creditor will be paid \$10,000 annually commencing January 10, 1998 and a like sum on the same date each year with a final balloon payment on January 10, 2003.

3. Landview Fertilizer, Inc.

Landview Fertilizer Inc. holds a second lien position on various equipment in the sum of \$40,000. Beginning on January 10, 1999 Debtor will commence annual payments on that sum plus 10% interest per annum commencing upon the date of

confirmation in the amount of \$12,300 per year for four years.

4. The Amalgamated Sugar Company (TASCO)

TASCO has a recorded liens on farm equipment and vehicles as set forth Debtor's attachment "A" to this first plan. The creditor asserts that the equipment's value is greater than \$75,000 by \$40,000, which latter sum forms the basis of Landview's secured equipment lien. Debtor will surrender to TASCO immediately upon confirmation of his plan the following: a) IH986 Tractor; b) 1976 Ford 750 w/hoist and bed; c) 12 row diker; and d) IH 140 plow. It is estimated that after TASCO liquidates these items and applies the net proceeds to its claim that the claim will be reduced to \$26,000. The resulting sum plus 10% interest per annum commencing upon the date of confirmation will be paid in annual installments beginning on January 10, 1999 over the next four years in the amount of \$8,000 with the final payment paying the claim in full on January 10, 2002.

5. West One Bank, N.A.

West One Bank, now Bank of America has failed to file a claim and will not be provided for in Debtor's plan.

6. Key Bank, N.A.

Key Bank held a security interest in a 1992 Chevrolet pickup which was being used solely by debtor's brother. The stay has been lifted by Key Bank and debtor will therefore pay nothing to Key Bank as a secured claimant.

7. Travelers Insurance Company

In addition to Travelers Insurance Company perfected security interest in debtor's farm land in Payette and Canyon counties, the creditor holds a perfected

security interest in certain irrigation equipment. The creditor will be paid as set forth in paragraph C(4) and retain its liens in the land and equipment.

F. Class IV: Liens on Other Personal Property

The Payette County Tax Collector holds a tax lien on two (2) mobile homes. The Payette County Tax Collector will retain its lien on this equipment plus debtor's land while being paid its tax claim as set forth in paragraph C(1).

G. Class V: Unsecured Creditors

Debtors will pay such claims in full commencing January 10, 2000 in the annual amount of \$2,000.00.

ARTICLE IV

Vesting

Except as provided in Section 1228(a) of Title 11, United States Code, and except as provided in this plan or the order confirming this plan, the property of the estate is vested in the debtor free and clear of the claims or interest of any creditor provided for by this plan pursuant to Section 1227(b) of Title 11, United States Code. This plan shall deal with all the debtor's property, including, without limitation, all of debtors' tangible property, either real or personal, or intangible property of whatsoever kind or character.

ARTICLE V

Term of the Plan

The term of the debtor's plan shall be five (5) years.

ARTICLE VI

Chapter 12 Trustee

The future income of the debtor is submitted to the supervision and control of the Chapter 12 trustee during the term of the plan except as otherwise indicated herein. The amount of the trustee's fee shall be in accordance with §1202(d) of the Bankruptcy Code. The debtor shall be required to submit monthly or annual reports to the Chapter 12 trustee as required by local court rules.

All tax refunds received by the debtor during the term of this plan shall be paid over to the trustee. Furthermore, the debtors shall pay all post-petition taxes when they become due. In the event any pre-petition tax liability exists and is determined to be due and owing to the Idaho State Tax Commission or the Internal Revenue Service, the trustee shall calculate the annual payment to be made by the debtors during the term of the plan.

ARTICLE VII

Claims Must Be Filed

Payments shall be made only to those secured and unsecured creditors who have timely filed allowed proofs of claim.

ARTICLE VIII

Effective Date of the Plan

The effective date of this plan shall be the date on which the order confirming the plan is non-appealable.

ARTICLE IX

Liquidation Analysis

For liquidation analysis purposes it is assumed all values would lose approximately 26% due to :

Trustee fee & costs	10%
Sales Commission	6%
Administrative fee	5%
Quick sale	<u>5%</u>
TOTAL	26%

A) Real Property and Improvements

1. Payette	\$464,000
Less 26%	
Asset value	<u>\$343,360</u>
<u>Less claims:</u>	
1. Travelers	\$480,030
2. State Tax	\$ 1,345
3. Payette Property:	
Payette Tax Collector	\$ 3,500
4. Landview	\$176,800
5. Canyon Tax Collector	\$459,940
Less 26%	
Asset value	\$340,355.60

B. Crops

1996 wheat	\$ 57,600	
1995 sugar beets	<u>\$41,155</u>	
Total value		\$98,755
<u>Less claims:</u>		
1. Paid Reed Grain	\$ 11,560	
2. Paid to debtor	\$ 19,900	
3. TASCO claim	\$105,562	
4. Landview claim	<u>\$176,756</u>	
Total claim		<u>\$313,778</u>
Difference		<u>(\$215,023)</u>

C. Personal Property

1. Tractors	\$119,800	
Less 26%	\$ 31,148	
Total Value		<u>\$ 88,652</u>
<u>Less Claims:</u>		
a. Claims of John Deere		
i. 2470 case surrendered	\$ 16,000	
ii. Balance due after liquidation of all		

surrender items	\$ 63,000		
b. Claims of Case	\$ 32,700		
(re: 7140 Magnum valued at \$38,000 e.g. \$50,000 less 26%)			
c. Claims of TASCO	\$ 5,300		
(re: 7140 Magnum)			
Remaining claim	\$ 88,261		
d. Claim of Landview	<u>\$176,759</u>		
Total Claim		<u>\$378,017</u>	
Difference			<u>(\$289,365)</u>

2. Vehicles

a. 1994 Chevy pickup	\$12,000		
Less 26%	8,800		
West One claim	<u>\$12,000</u>		
			(\$ 3,120)
b. Remaining vehicles	\$43,800		
Less 26%	<u>\$32,412</u>		
			\$ 11,338

Less claims:

TASCO holds liens of \$105,561 in the remaining vehicles except the 1976 Ford 900 w/20' bed and hoist. (Asset value not subject to lien) \$ 14,000

c. Other Equipment

1. Less surrendered to John Deere	\$ 72,000
2. Remainder:	\$109,900
i. Less 26%	
Balance	\$ 81,326
ii. John Deere	
1st lien	\$ 71,000
iii. TASCO	
1st lien	\$ 42,950
iv. Travelers	
1st lien	\$ 30,700
v. West One	\$ 2,000
vi. Landview	\$176,756

Landview does have a 2nd position on numerous items but because the 1st position lien holders will not recognize sufficient sums to fully pay their claim therefore Landview has no valid lien position.

Total Assets Value	\$ 81,326
Total 1st lien claims	\$146,650
Total all liens	\$323,406

APPROXIMATE INCOME

Clover Seed	260 acres @ 800 lbs @ 1.10 per lb.	\$	228,800.00
Beans	220 acres @ 20 bags @ 24 per bag		105,600.00
Other: ASCS Payment			10,600.00

Total Income:	<u>\$ 345,000.00</u>
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CROP EXPENSES

Hired labor	\$ 30,000.00
Machinery repair	12,000.00
Pesticides and spray	18,000.00
Seed	9,000.00
Fertilizer and chemicals	17,000.00
Other supplies	10,000.00
Fuel and oil	18,000.00
Personal property tax	2,000.00
Real estate taxes	7,000.00
Water charges	30,000.00
Property insurance	7,000.00
Auto & truck expense	1,000.00
Utilities	4,000.00
Bees \$30.00 per acre	<u>8,000.00</u>

Subtotal:	\$ 173,000.00
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OTHER

Family living	20,000.00
Pickup reel for combine	3,500.00
Bean planter and cutter	6,000.00
Seed cutter	<u>3,000.00</u>
	\$ 32,500.00

TOTAL EXPENSES	\$205,500.00
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INCOME

Crop	\$ 345,000.00	
Cash Collateral	<u>104,536.00</u>	
		<u>449,536.00</u>
TOTAL AVAILABLE TO FUND PLAN		<u>\$244,036.00</u>

ARTICLE XI

Means for Execution and Implementation of Plan

Implementation of this plan will primarily come from proceeds derived from debtor's farming operation. The following cash flow statement is submitted to show repayment. The income and expenses are the anticipated income and expenses during the term of the Plan. At present the trustee holds \$80,724, the Debtor \$15,872 (cash collateral order).

ARTICLE XII

Debt Service per Plan on Annual Basis

No Later than January 10, 1998

§501 Priority Claims:

Idaho State Tax Commission	\$ 186.00	
Internal Revenue Service	2,417.00	
Alejandro Valladares-Ponce	343.00	
Armondo Rivera-Vega	435.00	
Felipe Zavala	280.00	
Fivel Perez	389.00	
Trustee	11,688.00	
Attorneys fees	<u>0.00</u>	
Total		<u>\$ 15,738.00</u>

Class I

Payette Tax Collector	\$1,850.00
Canyon Tax Collector	3,450.00
Landview	0.00

Travelers	29,405.00	
Idaho State Tax Commission	<u>270.00</u>	\$ 34,975.00

Class II

Reed Bean	Paid in full	
Landview	111,000.00	
TASCO	Surrender vehicles	\$111,000.00

Class III

Case Credit	\$7,000.00	
John Deere Credit Corp.	10,000.00	
Landview	0.00	
TASCO	0.00	
Key Bank	0.00	
Travelers	<u>0.00</u>	<u>\$ 17,000.00</u>

Class IV

Payette County Tax Commission	0.00
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Class V

Unsecured creditors	0.00
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TOTAL		\$178,713.00
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No later than January 10, 1999

§507 Priority Claims:

Idaho State Tax Commission	\$ 186.00	
Internal Revenue Service	2,417.00	
Alejandro Valladares-Ponce	343.00	
Armondo Rivera-Vega	435.00	
Felipe Zavala	280.00	
Fivel Perez	389.00	
Trustee	6,326.00	
Attorneys fees	<u>10,000.00</u>	<u>\$20,376.00</u>

Class I

Landview	\$ 0.00	
Payette Tax Collector	1,850.00	
Canyon Tax Collector	3,450.00	
Idaho State Tax Commission	270.00	
Travelers	58,810.00	\$64,380.00

Class II		
Landview	\$ 12,300.00	
TASCO	<u>8,000.00</u>	<u>\$ 20,300.00</u>
Class III		
Case Credit	\$7,000.00	
John Deere	10,000.00	
Landview	0.00	
TASCO	0.00	
Travelers	<u>0.00</u>	<u>\$ 17,000.00</u>
Class IV		
Payette County Tax Collector	0.00	
Class V		
Unsecured Creditors	0.00	
TOTAL		<u>\$ 122,056.00</u>

No Later than January 10, 2000

\$507 Priority Claims:

Idaho State Tax Commission	\$ 186.00	
Internal Revenue Service	2,417.00	
Alejandro Valladares-Ponce	343.00	
Armondo Rivera-Vega	435.00	
Felipe Zavala	280.00	
Fivel Perez	389.00	
Trustee	7,166.00	
Attorneys fees	<u>5,000.00</u>	<u>\$19,769.00</u>
Class I		
Payette Tax Collector	\$ 1,850.00	
Canyon Tax Collector	3,450.00	
Landview	0.00	
Idaho State Tax Commission	270.00	
Travelers	<u>58,810.00</u>	<u>\$74,380.00</u>
Class II		
Landview	\$12,300.00	
TASCO	8,000.00	<u>\$20,300.00</u>

Class III

Case Credit	\$7,000.00	
John Deere	10,000.00	
Landview	0.00	
TASCO	0.00	
Travelers	<u>0.00</u>	<u>\$ 17,000.00</u>

Class IV

None

Class V

Unsecured		<u>\$ 2,000.00</u>
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TOTAL		<u>\$133,449.00</u>
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No Later than January 10, 2001**2001****§507 Priority Claims:**

Idaho State Tax Commission	\$ 186.00		
Internal Revenue Service	2,417.00		
Alejandro Valladares-Ponce	343.00		
Armondo Rivera-Vega	435.00		
Felipe Zavala	280.00		
Fivel Perez	389.00		
Trustee	6,683.00		\$ 3,529.00
Attorneys Fees	<u>5,000.00</u>	<u>\$15,733.00</u>	<u>\$12,579.00</u>

Class I

Payette Tax Collector	\$ 1,850.00	
Canyon Tax Collector	3,450.00	
Landview	0.00	
Idaho State Tax Commission	270.00	
Travelers	<u>58,810.00</u>	<u>\$64,380.00</u>

Class II

Landview	\$12,300.00	
TASCO	8,000.00	<u>\$20,300.00</u>

Class III

Case Credit	\$7,000.00
John Deere	10,000.00
TASCO	0.00

Travelers	<u>0.00</u>	<u>\$17,000.00</u>	
Class IV None			
Class V Unsecured	\$2,000.00*	<u>\$ 2,000.00</u>	
TOTAL		<u>\$119,413.00</u>	<u>\$116,259.00</u>

ARTICLE XIII

Use of Cash Collateral and Incurring Secured Debt

In the event a creditor, pursuant to this plan or the subsequent Order Confirming Plan, retains a lien on cash collateral as defined by 11 U.S.C. 363(a), then debtors may continue to use such cash collateral in the farming operation provided the plan payments stated above are current. The right to use cash collateral shall terminate if debtors do not make the payments stated above. Continued use shall be allowed only when the payments are brought current. Debtor shall also continue to be entitled to incur secured debt in accordance with the provisions of §364 of the Bankruptcy Code if the need for such can be demonstrated.

ARTICLE XIV

Title to Realty

Upon confirmation, the real property of the Debtor is vested in the Trustee for the plan duration. In the event of a substantial default by Debtor, and upon notice and hearing by the trustee to the court and all interested parties, the trustee will sell the real property and pay the amount of debt owing each secured creditor who have perfected security interests in the property. The real property will revert in the Debtor upon completion of the confirmation by the Debtor.

ARTICLE XV

Yearly Farm Budget

Debtor shall file with the Court and the Chapter 12 trustee a yearly budget for their farming operation using the form provided by the trustee. The budget shall be submitted on or before February 15 of each year during the term of this plan. Debtor shall also provide an accounting reflecting this budget.

ARTICLE XVI

Compliance with Chapter 12

This plan complies with the provisions of Chapter 12 and all other applicable provisions of Title 11 of the United States Code. Any fee, charge or amount required to be paid before confirmation either under Chapter 12 of Title 28 or the terms of this amended plan, has or will be paid prior to confirmation. This amended plan has been proposed in good faith and not be any means forbidden by law.

ARTICLE XVII

If plan payments are not made to creditors before February 1, 1998, then the trustee shall refund to the Debtor all funds held by the trustee in his trust account for the Debtor's benefit as of the date of confirmation.

ARTICLE XVIII

The secured creditors shall retain liens on their security during the term of the plan.

I declare the foregoing statements in my Chapter 12 Plan to be true and correct under penalty of perjury.

DATED this 10 day of May, 1997.


Terry L. Hipwell
Debtor